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# The AGRICULTURAL OUTLOOK DIGEST

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

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A favorable growing season and an increase in stocks point to a record supply of wheat for the 1953-54 marketing year.

Timely rains this winter and spring in most areas except the southern Great Plains have greatly improved prospects for winter wheat. At planting time last fall, drought had dried up almost the entire producing area. On December 1 when we made our first report on the crop, only three-fourths of the acreage sown was expected to be harvested for grain compared with nine-tenths in 1952. Condition of a large part of the remainder was precarious.

On June 1, we forecast the crop at 770 million bushels, a fourth larger than on December 1. This still is short of 1952's billion bushel output but is only 3% below average.

Conditions also have favored spring wheat. On June 1, a record crop of 363 million bushels was in prospect, a half more than last year, a fourth more than average.

The 1,132 million bushels of all wheat in prospect is below last year's 1,291 million. But around 580 million bushels of old wheat will be left over when the 1952-53 marketing year closes at the end of this month. This will be the third largest carryover in history.

Production, carryover and imports (possibly 5 million bushels) add up to a total supply of 1,717 million bushels. This would top the 1942-43 record by 116 million. Supply for 1952-53 is estimated at 1,568 million.

We'll use about 690 million bushels for food, seed and livestock feed in the U. S. in 1953-54. Even if exports reach the 315 million bushels estimated for this year, carryover on July 1, 1954 will exceed 700 million. The record is 631 million in 1942.

LIVESTOCK Producers have been marketing slaughter cattle and calves at a record rate since February. Marketings the first half of this year were up nearly 30% from a year ago; in the April-June quarter the gain was around 35%.

Sales of fed cattle will diminish in coming months. In the second half of 1953; marketings of all cattle probably will show a smaller gain over a year earlier than in the first half. However, number marketed this year is likely to be almost as large as the number of calves produced.

Hog producers have decided to reduce the fall pig crop, according to their June 1 plans. They reported to BAE that they intend to decrease the number of sows farrowing this fall 5% from the fall of 1952. Reduction is planned despite fact that hog prices this spring have been relatively high compared with feed prices. Prospects of continued competition from large beef and veal supplies, the threat of vesicular exanthema disease, and the continued decline in farm slaughter are factors in the decision to reduce the crop.

This spring's pig crop totaled 50.7 million head, a tenth less than the spring crop of 1952. Number of sows farrowing was down 12 percent but average number of pigs saved per litter was highest on record. The spring crop plus intended fall crop adds up to 84.2 million head, smallest for any year since 1948.

PRICES Prices received by farmers have changed little, on the average, so far this year. The May index was up 1% from April, down 2% from January.

With employment and factory production high, consumer income has been at record levels this spring and demand in the U. S. has continued fairly strong.

The foreign demand situation is much different. Value of exports the first 9 months of 1952-53 was down nearly a third from a year earlier. Cotton was off 57%, wheat and flour 32%, unmanufactured tobacco 20%. Bigger supplies abroad is the main reason for the decline. Foreign countries have slightly more dollars in 1952-53 than in 1951-52.



DAIRY PRODUCTS Consumers have used about the same quantity of dairy products and have paid about the same retail prices as in 1952. Most of the increase in milk production has been purchased by USDA in the form of butter, cheese and nonfat dry milk.

POULTRY AND EGGS If the rate of lay increases over a year earlier this summer and fall as it has in most years, egg output probably will exceed a year earlier. With fewer eggs available from cold storage, however, total supplies will be little different than a year earlier.

Broiler marketings are likely to continue large into early September, according to figures on chick placements. By that time, sales of chickens from farm flocks will be increasing seasonally.

FATS AND OILS Wholesale prices for soybean and other vegetable oils have gone down the last 2 months; large stocks of soybeans were an important factor in the decline. Most other major fats and oils also have gone down with prices of inedible tallow and greases the lowest since prewar.

FEED The growing season was favorable for feed crops through early June, except in the southwest. Pastures were good to excellent in most of the north half of the country but were poor in parts of the south and west. A hay crop about the size of last year's is in prospect.

FRUIT Larger crops of peaches, pears, apricots, plums and sour cherries and a smaller grape crop were expected on June 1. An apple crop above 1952 but below average was indicated by condition on that date. The grape crop is expected to decline from 1952.

Through June 6 of this season in Florida, output of frozen orange concentrate was up 5 percent and the pack of canned juices up 4 percent from the same period of 1951-52.

VEGETABLES With output of fresh vegetables this summer indicated to be 11% above last summer, prices to farmers are likely to remain generally lower. Progress of processing crops is about 3 weeks behind normal but acres planted are expected to be as large as or larger than last year. Chief exceptions are tomatoes and spinach for which acres are being reduced because of large stocks.

Larger supplies and much lower prices than last summer are in prospect for potatoes.

COTTON Mills continued to receive large orders for grey goods in May and early June. Inventories at the end of April were low in relation to unfilled orders, according to trade reports.

Cotton prices were steady in the last half of May and the first half of June. In mid-May prices to farmers averaged 4.29 cents lower than a year earlier.

WOOL World wool consumption has increased each quarter since July-September, 1951; was running about a third higher than a year earlier the first quarter of this year. Annual rate of consumption in that period was well above this season's estimated production.

Not much change in wool prices has occurred in recent weeks at the Australian auctions or at Boston.

TOBACCO With output of cigarettes up 5% from 1951-52, domestic use of flue-cured and burley tobacco in 1952-53 is expected to exceed any previous year. Disappearance of cigar filler, binder and wrapper in 1952-53 also is up with the increase in cigar production. On the other hand, output of snuff and chewing tobacco is expected to be down and a little less fire-cured and dark air-cured tobacco is expected to be used than last year.

